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September 12, 2005

Honorable Leon Drolet, Chair
House Committee on Government Operations
PO Box 30014
Lansing MI 48909-7514

Dear Representative Drolet:

My name is Nancy Kurdziel. I am the President of Prime Housing Group. We own and manage 242 apartments in East Lansing, Okemos, and Haslett. The majority of our properties are located in East Lansing – particularly on East Grand River Avenue.

The abuse of eminent domain is of great concern to us. Our properties are always 100% occupied and well maintained. Yet they have been designated as blighted because the City of East Lansing would like the area to be redeveloped.

The City of East Lansing has identified the area bounded by East Grand River Avenue, Hagadorn Road, Bogue Street and the Red Cedar River for a proposed redevelopment called the East Village. Currently the area is occupied by apartment buildings, fraternities, rental houses and businesses. This is an area that is very close to the MSU campus and therefore very attractive to MSU students. We own seven buildings in this area for a total of 165 apartments.

In 2000, the City of East Lansing designated most of the East Village area as blighted. The justification for the designation was so that the city could qualify for grants. No grants were received by the city during the time of the designation – therefore the designation served no purpose. It's also our understanding that this is the first time in Michigan history that a city requested that an area to be designated as blighted.

In 2004, the City of East Lansing once again designated the East Village area as blighted. This time, they are more organized and have a proposed master plan and are quickly moving forward on this project. The City has even chosen a master developer and led that developer to believe that the City would "assist" in the acquisition of properties.

I have spoken to several business and property owners in this affected area and none of them are interested in selling their properties. This makes me wonder how the City plans to "assist" in the acquisition of properties. It also leads me to the conclusion that they are using the blighted designation to strengthen their position for condemnation and eminent domain.

When I think of a blighted area, I picture boarded up houses or empty businesses.

This is a student occupied area that is viable and thriving. However because the City of East Lansing would like to change the area, they have designated it as blighted in an attempt to further its redevelopment. This area is not blighted. In fact, it is one of the highest rent districts in the City of East Lansing and a prime location for students to live.

Our apartment buildings are always 100% occupied. We take pride in our properties and are consistently maintaining and improving them.

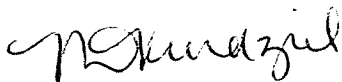
The city is abusing the blighted designation for their development agenda – which is to be executed by a private for-profit developer on our property.

I have read the proposed legislation and fully support House Bill No. 5060. We do not want our property taken by eminent domain so that it can be handed over to another private entity for redevelopment.

I further request that this committee explore the abuse of blighted area designations. We feel that all the properties in the East Village area have been wrongly designated as blighted to strengthen the City of East Lansing's case for taking them by eminent domain.

Thank you for your time. I greatly appreciate the opportunity to provide my testimony today.

Sincerely,

A handwritten signature in cursive script, appearing to read "N. Kurdziel".

Nancy Kurdziel
President